

IPO candidates on hold

The IPO wave is rolling again. But instead of blindly jumping on the stock market bandwagon, investors should carefully consider who belongs on the stock list—and who doesn't.

Stock in focus·July 10, 2025



(Image source: Press photo Deutsche Börse AG)

The IPO wave is rolling again. But instead of blindly jumping on the stock market bandwagon, investors should carefully consider who belongs on the stock market – and who doesn't.

Welcome to the second half of 2025. I hope that the next six months of the year will bring us fewer surprises, less turmoil, and, above all, more peace in this world.

Looking at the trading floor, there could even be one or two IPOs on the horizon. Companies such as AUTODOC, **Ottobock**, and Brainlab are looking to go public. In addition, there are a number of spin-offs, such as the marine division of thyssenkrupp and a spin-off from Continental called Aumovio.

However, both AUTODOC and Brainlab canceled their IPOs at the end of June after the current environment was deemed less than optimal. Given the continuing high index levels in this country, the reasoning is questionable, to say the least.

Although we investors are excited about potential IPOs—if they actually happen—we shouldn't forget to keep a critical eye on things. Many years ago, the German Shareholder Association (DSW) developed an IPO checklist, which you can find at www.dsw-info.de under “Publications.”

Go through the IPO checklist

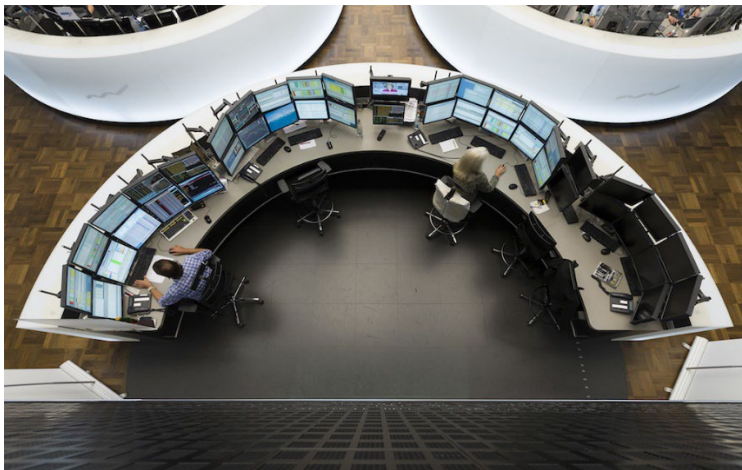
As investors, we should always check the company's historical performance. Has it suffered a series of losses or has it generated profits? Often, there is a miraculous increase in profits or even a reversal of losses into profits due to the switch to the International Financial Reporting Standards (IFRS).

What is the debt situation? Does the company have room to breathe and grow, or is it up against the wall? Is the IPO a capital increase, or does a former owner want to pass on the risk to others, including us investors, and “cash in” for his own benefit?

We need to be careful if the IPO does not bring in any or (too) little fresh money for the company. If the IPO is used solely as an exit for existing owners, alarm bells should start ringing. In this case, there is a risk that the seller is simply taking advantage of what they consider to be the “best” moment to exit, but that the company no longer has any real prospects for growth. The governance of the company is also relevant.

For example, a KGaA structure is a no-go from an investor's perspective because there is an imbalance between risk and control. This also applies to the issuance of preferred shares. In this case, investors are allowed to contribute their hard-earned, taxed money, but they have no say and therefore no decision-making power when it comes to major strategic decisions.

From an investor's perspective, the question of which stock market segment the company is listed in is important.



(Image source: Press photo Deutsche Börse AG)

Where will the IPO take place?

From an investor's perspective, the question of which stock market segment the company is listed in is equally important. It is important to have the highest possible standard of transparency, which ultimately only exists in the Prime Standard. As investors, we rely on a high density of information in order to be able to decide later how successful the company is and when, if necessary, the time has come to exit the stock.

The German Association for the Protection of Securities Holders (DSW) will closely examine the IPO candidates.

It is important to bear in mind that, despite all the excitement surrounding each new listing on the stock exchange, not every aspiring stock market entrant would have been immediately suitable for our portfolios in the past. It often made sense, and was certainly less nerve-wracking, to wait and see how the stock price settled in during the first few weeks on the stock exchange. This is because, in the first few weeks after listing, a certain amount of price maintenance and thus price support is permitted by law. It takes five to six weeks to see what the stock market and we investors really think of the company and thus the new issue. Stay alert!

An article by Marc Tüngler



He is the CEO of the German Association for the Protection of Shareholders (DSW) and is a profound expert on the German stock market. As a speaker and shareholder representative at many annual general meetings, he is familiar with the sensitivities of management boards and shareholders.

www.dsw-info.de

The above text/article reflects the opinion of the respective author(s). CASMOS Media GmbH accepts no responsibility for its accuracy and excludes any claims for recourse.

Source: <https://markteinblicke.de/123283/2025/07/ipo-kandidaten-in-der-warteschleife/>